

112 State Street
Drawer 20
Montpelier, VT 05620-2701
Tel.: (802) 828-2358



ORIGINAL

TTY/TDD (VT): 1-800-734-8390
Fax: (802) 828-3351
E-Mail: clerk@psb.state.vt.us
Internet: <http://www.state.vt.us/psb>

**State of Vermont
Public Service Board**

EX PARTE OR LATE FILED

September 9, 1998

Ms. Magalie Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: **Ex Parte Disclosure**
In the Matter of Federal-State Joint Board on Universal Service
CC Docket No. 96-45

Dear Secretary Salas:

In accordance with the Commission's rules, this letter is to disclose a written ex parte contact. I have provided an original and a copy for your files. I also enclose an additional copy that I ask you to stamp as received and return in the enclosed envelope.

On September 9, 1998, Peter Bluhm, of the Vermont Public Service Board staff, sent a letter, with enclosures to Philip F. McClelland, a member of the Universal Service Joint Board staff. The materials concern Bell Atlantic-Vermont's costs, rates and revenues.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter Bluhm".

Peter M. Bluhm
Director of Regulatory Policy

cc: Philip McClelland

enclosures:

McClelland letter of September 9
stamped envelope

No. of Copies rec'd 072
List ABCDE

ORIGINAL

EX PARTE OR LATE FILED

112 State Street
Drawer 20
Montpelier, VT 05620-2701
Tel.: (802) 828-2358



TTY/TDD (VT): 1-800-734-8390
Fax: (802) 828-3351
E-Mail: clerk@psb.state.vt.us
Internet: <http://www.state.vt.us/psb>

State of Vermont
Public Service Board

September 9, 1998

RECEIVED
SEP 17 1998
LOCAL REG

Philip F. McClelland
Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Re: In re Joint Board on Universal Service,
FCC Docket 96-45; Vermont data

Dear Phil:

In June, after the Universal Service Joint Board "en banc" hearing, we discussed the difficulties that Vermont faces with high costs and rates. I offered to prepare some information about why Vermont has unusual needs for high cost support. Thanks to some data recently assembled by USTA for separations purposes, I have now been able to complete that work.

I attach data and graphs from two data sources. Each data set contains multiple elements. Each element shows a different aspect of Vermont's cost, revenue or rate structures.

A. Separations and ARMIS Data

The first set, containing five elements, is drawn from the 1997 separations results and ARMIS reports. This data has come to me as part of the USTA separations study presented on CD-ROM at the Seattle NARUC conference.

Included in the analysis are those companies shown in the USTA study as "BOCs." There are 51 companies in the data set, including SNET in Connecticut, as well as Cincinnati Bell. There are no data for Alaska, Hawaii, Puerto Rico or other insular areas.

This data for Vermont relates only to Bell Atlantic's service area. However, Bell Atlantic

serves approximately 85% of Vermont's customers, many of whom are rural.

All of this data relates to embedded cost. I am not reporting any forward-looking data to you because of the continuing uncertainty around these models. I have the general impression that forward looking models confirm the cost data below, but no definitive analysis is possible until the FCC adopts a platform and inputs.

1. Cable and Wire Facilities per Working Loop. This section shows gross investment in cable and wire facilities. This category includes all wire and cable, although loops amount, on average, to 90% of the total. Depreciation is not considered here, and these data show gross investment only. Vermont has the second highest cost per loop and is exceeded only by Wyoming. Vermont's investment of \$1,192 per loop is 58% above the national average of \$756.
2. Central Office Equipment per Working Loop. This section shows central office equipment, notably including switching. Vermont has the third highest COE cost per loop and is exceeded only by Nebraska and Wyoming. Vermont's investment of \$918 per loop is 34% above the national average of \$683.
3. Basic Local Revenues per Working Loop. This is the first of three data elements about state revenue, in this case revenues earned by the local exchange carrier from local services, including fixed monthly charges and local measured service. Fourteen companies, of 51, have higher local revenues per loop than Vermont. Vermont's \$355 per loop per year is 12% above the national average of \$318. Related data are shown in part B below.
4. State Toll & Access Revenues per Working Loop. This element reflects the carrier's total intrastate revenues from toll and access. For toll, I subtracted the carrier's interstate toll revenue (in most cases negligible) from its total toll revenues. For access, I again subtracted interstate from total revenues. The sum of these differences is then reported. Nine companies, of 51, have higher reported toll revenues per loop. Vermont's \$133 per loop per year is 47% above the national average of \$90. Actually, I know that Maine has recently reduced its toll and access charges substantially, and so there probably are only eight states with higher current access and toll revenues per loop.
5. Total Intrastate Revenues per Working Loop. This element reflects total intrastate

revenues, from basic local, from toll and access, and from all other sources including billing and collection. Only three companies had higher revenues, Colorado, Mississippi and Nebraska. Vermont's \$507 per loop per year is 20% above the national average of \$422, and approximately 60% above the two lowest revenue states.

B. FCC Rate Survey

The second data set is drawn from the FCC's 1998 Reference Book of Rates, Price Indices and Expenditures for Telephone Service. This biennial publication lists, for 95 U.S. cities, current residential and business rates. Unfortunately, although Burlington is Vermont's largest city, it is not large enough to be included in the list. I have collected the comparable Burlington data from Bell Atlantic, and I added Burlington to the list, thereby making a list of 96 cities. There are two elements shown.

1. Rates for Residential Customers. Data listed here is from Table 1.3 in the FCC Reference Book. In most cases the number reports the charges for flat rated service. However, where no flat rated service is available, the data includes the fixed monthly charge, plus local measured service charges assuming the customer makes 100 calls per month of five minutes each. The data includes all charges, including SLC and taxes. Burlington's residential rates are exceeded only by three of the 96 cases: Huntington, West Virginia; Buffalo, New York; and West Memphis, Arkansas. Burlington's rates, at \$26.18 per month, are 34% above the national average of \$19.49.
2. Rates for Single Line Businesses. Data listed here is from Table 1.10 in the FCC Reference Book. Calculations are made in the same manner as for residential customers, except that the customer is presumed to make 200 calls per month, of 5 minutes each. Burlington's rate is the highest among any of the 96 cities. At \$73.27 per month, Burlington's rate is 65% above the national average of \$44.33.

This rate data may not be entirely consistent with item A.3 above. A.3 suggests that local revenues per loop in Vermont are high, but not among the highest nationally. This could be interpreted to suggest that local rates in Vermont are only slightly above the national average. This FCC rate data, however, shows the contrary. At least as to cities, Vermont's rates are among the highest in the country.

Philip F. McClelland
September 9, 1998

page 4

C. Summary

In summary, Bell Atlantic in Vermont has significantly above average costs: 58% above the national average for wire and 34% above the national average for central office costs. These high costs are reflected in generally high carrier revenues. Revenues to Bell Atlantic-Vermont from local services are above average, as are revenues from toll and access services. When one adds together local, toll and all other revenues, Vermont is the fourth highest study area in the country.

These conclusions are accentuated by rate comparisons. FCC publications confirm that rates are very high in Vermont. Rates for residential customers in Burlington are higher than all but three of 96 cities in the sample. For business customers, Burlington's rates are not exceeded in any of the 96 cities.

Vermont's overall picture, therefore, is one of high costs and very high rates. Assuming, as I do, that the FCC has some obligation under Section 254 to ameliorate high rates that are not reasonably comparable to urban rates, the case seems clear for substantial high cost support for Vermont.

These data also suggest that there is little that Vermont can do by way of "rebalancing" to eliminate "implicit subsidies." Any effort made, for example, to lower our extraordinarily high business rates would only have the effect of further increasing our already very high residential rates. Similarly, any effort to reduce our high usage charges (toll and access rates) would only raise our extremely high fixed charges. The solution, if one is to be found, clearly must come from outside the state.

I hope this letter is responsive to our discussions in June. Please let me know if I can provide any additional useful information.

Sincerely,



Peter M. Bluhm
Policy Director

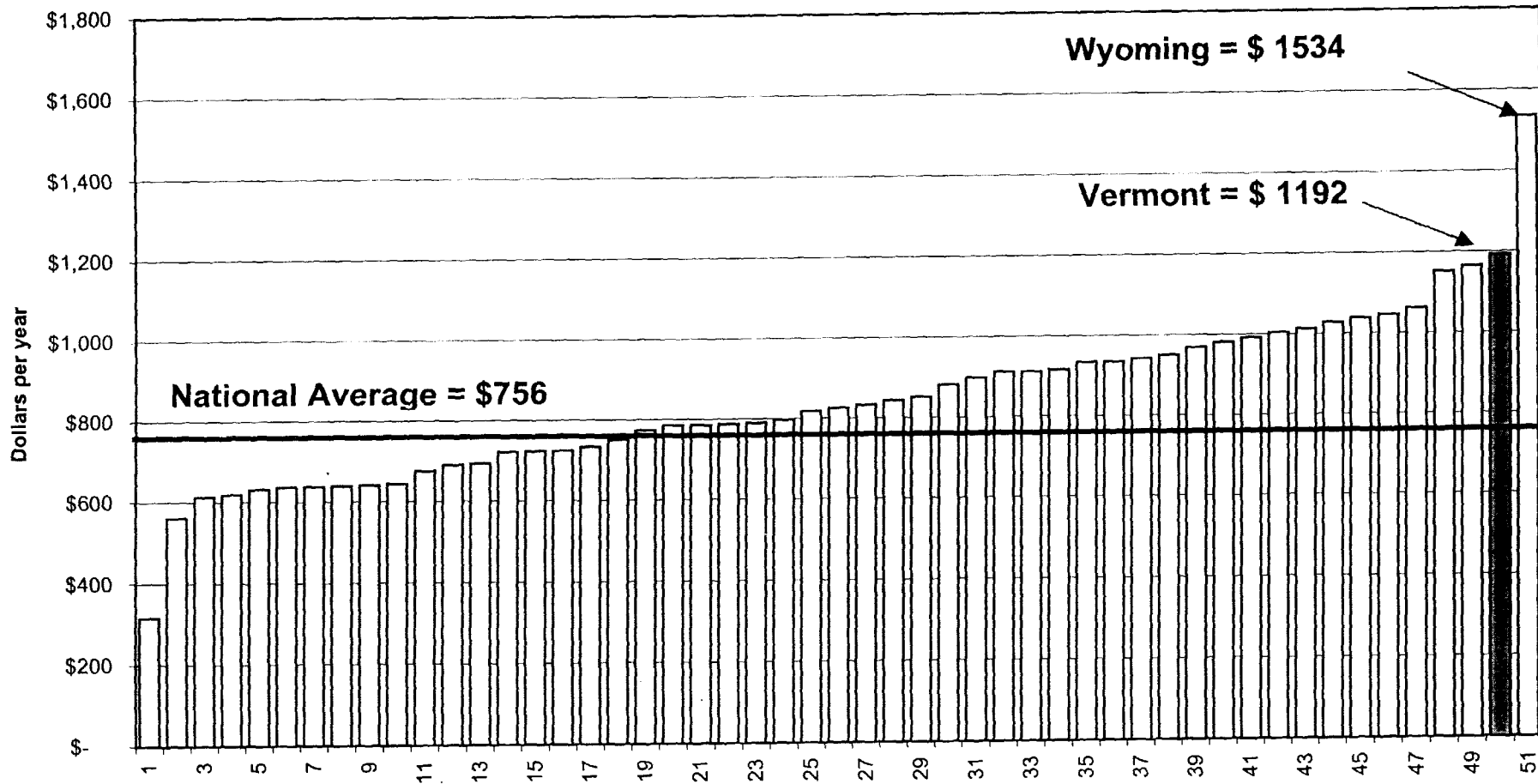
Enclosures
cc: Chairman Cowart

Per 1997 Separations:

		Acc't 1530 C&WF per Working Loop	
STATE	COMPANY		
1 District of Columbia	Bell Atlantic	\$	316
2 ILLINOIS	ILLINOIS BELL	\$	561
3 WISCONSIN	WISCONSIN BELL	\$	614
4 New Jersey	Bell Atlantic	\$	619
5 Maryland	Bell Atlantic	\$	631
6 Rhode Island	New England Telephone	\$	636
7 Ohio & Kentucky	Cincinnati Bell Telephone	\$	638
8 Pennsylvania	Bell Atlantic	\$	639
9 Delaware	Bell Atlantic	\$	641
10 OHIO	OHIO BELL	\$	644
11 CALIFORNIA	PACIFIC BELL	\$	675
12 INDIANA	INDIANA BELL	\$	690
13 Virginia	Bell Atlantic	\$	693
14 MICHIGAN	MICHIGAN BELL	\$	722
15 New York	New York Telephone	\$	723
16 Connecticut	Southern New England Telephone	\$	724
17 Minnesota	U S WEST Communications	\$	733
18 Massachusetts	New England Telephone	\$	749
19 Iowa	U S WEST Communications	\$	773
20 MISSOURI	SOUTHWESTERN BELL TEL. CO	\$	785
21 KANSAS	SOUTHWESTERN BELL TEL. CO	\$	785
22 Arizona	U S WEST Communications	\$	787
23 Utah	U S WEST Communications	\$	790
24 Tennessee	BellSouth Telecommunications	\$	797
25 Washington	U S WEST Communications	\$	818
26 Oregon	U S WEST Communications	\$	826
27 Florida	BellSouth Telecommunications	\$	832
28 TEXAS	SOUTHWESTERN BELL TEL. CO	\$	844
29 Nebraska	U S WEST Communications	\$	852
30 OKLAHOMA	SOUTHWESTERN BELL TEL. CO	\$	881
31 Colorado	U S WEST Communications	\$	898
32 North Dakota	U S WEST Communications	\$	912
33 Georgia	BellSouth Telecommunications	\$	912
34 NEVADA	NEVADA BELL	\$	917
35 Alabama	BellSouth Telecommunications	\$	934
36 North Carolina	BellSouth Telecommunications	\$	935
37 Idaho	U S WEST Communications	\$	942
38 Maine	New England Telephone	\$	951
39 South Dakota	U S WEST Communications	\$	969
40 West Virginia	Bell Atlantic	\$	981
41 New Mexico	U S WEST Communications	\$	992
42 Louisiana	BellSouth Telecommunications	\$	1,004
43 Kentucky	BellSouth Telecommunications	\$	1,012
44 New Hampshire	New England Telephone	\$	1,028
45 ARKANSAS	SOUTHWESTERN BELL TEL. CO	\$	1,039
46 South Carolina	BellSouth Telecommunications	\$	1,047
47 Montana	U S WEST Communications	\$	1,062
48 Mississippi	BellSouth Telecommunications	\$	1,152
49 Idaho	U S WEST Communications	\$	1,165
50 Vermont	New England Telephone	\$	1,192
51 Wyoming	U S WEST Communications	\$	1,534
National Average		\$	756

* SNET reported 2,250 working loops. This has been corrected to 2,250,000.

Total Cable & Wire Facilities Gross Investment per Loop - 1997
51 Bell Companies



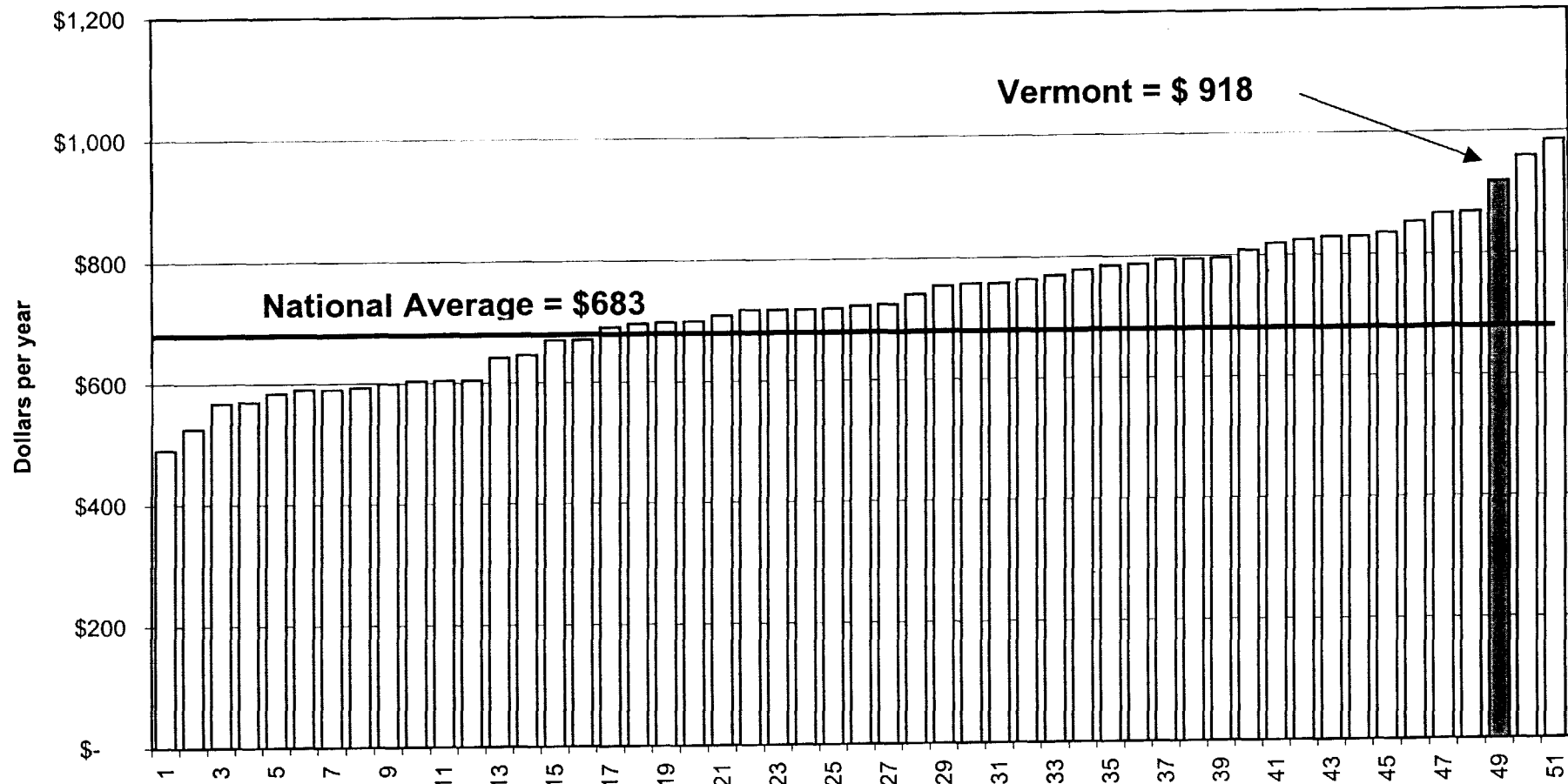
Source: ARMIS, U.S.T.A.

Per 1997 Separations:

STATE	COMPANY	COE per Working Loop
1 WISCONSIN	WISCONSIN BELL	\$ 491
2 ILLINOIS	ILLINOIS BELL	\$ 526
3 Rhode Island	New England Telephone	\$ 568
4 INDIANA	INDIANA BELL	\$ 570
5 Delaware	Bell Atlantic	\$ 584
6 NEVADA	NEVADA BELL	\$ 590
7 CALIFORNIA	PACIFIC BELL	\$ 591
8 MICHIGAN	MICHIGAN BELL	\$ 593
9 OHIO	OHIO BELL	\$ 600
10 New Jersey	Bell Atlantic	\$ 604
11 Pennsylvania	Bell Atlantic	\$ 604
12 Ohio & Kentucky	Cincinnati Bell Telephone	\$ 605
13 District of Columbia	Bell Atlantic	\$ 642
14 OKLAHOMA	SOUTHWESTERN BELL TEL. CO	\$ 646
15 Florida	BellSouth Telecommunications	\$ 670
16 Maryland	Bell Atlantic	\$ 671
17 KANSAS	SOUTHWESTERN BELL TEL. CO	\$ 691
18 Minnesota	U S WEST Communications	\$ 697
19 Iowa	U S WEST Communications	\$ 698
20 Oregon	U S WEST Communications	\$ 700
21 Massachusetts	New England Telephone	\$ 709
22 Virginia	Bell Atlantic	\$ 718
23 MISSOURI	SOUTHWESTERN BELL TEL. CO	\$ 718
24 North Dakota	U S WEST Communications	\$ 718
25 Idaho	U S WEST Communications	\$ 719
26 ARKANSAS	SOUTHWESTERN BELL TEL. CO	\$ 723
27 New York	New York Telephone	\$ 725
28 Arizona	U S WEST Communications	\$ 741
29 TEXAS	SOUTHWESTERN BELL TEL. CO	\$ 754
30 Utah	U S WEST Communications	\$ 758
31 Louisiana	BellSouth Telecommunications	\$ 758
32 Tennessee	BellSouth Telecommunications	\$ 764
33 Idaho	U S WEST Communications	\$ 770
34 New Hampshire	New England Telephone	\$ 778
35 North Carolina	BellSouth Telecommunications	\$ 785
36 West Virginia	Bell Atlantic	\$ 787
37 Kentucky	BellSouth Telecommunications	\$ 794
38 Connecticut	Southern New England Telephone	\$ 794
39 South Carolina	BellSouth Telecommunications	\$ 796
40 Montana	U S WEST Communications	\$ 808
41 Washington	U S WEST Communications	\$ 819
42 Maine	New England Telephone	\$ 824
43 Georgia	BellSouth Telecommunications	\$ 829
44 Colorado	U S WEST Communications	\$ 830
45 South Dakota	U S WEST Communications	\$ 836
46 New Mexico	U S WEST Communications	\$ 853
47 Alabama	BellSouth Telecommunications	\$ 866
48 Mississippi	BellSouth Telecommunications	\$ 869
49 Vermont	New England Telephone	\$ 918
50 Nebraska	U S WEST Communications	\$ 959
51 Wyoming	U S WEST Communications	\$ 985
National Average		\$ 683

* SNET reported 2,250 working loops. This has been corrected to 2,250,000.

Total Central Office Equipment Gross Investment per Loop - 1997 51 Bell Companies



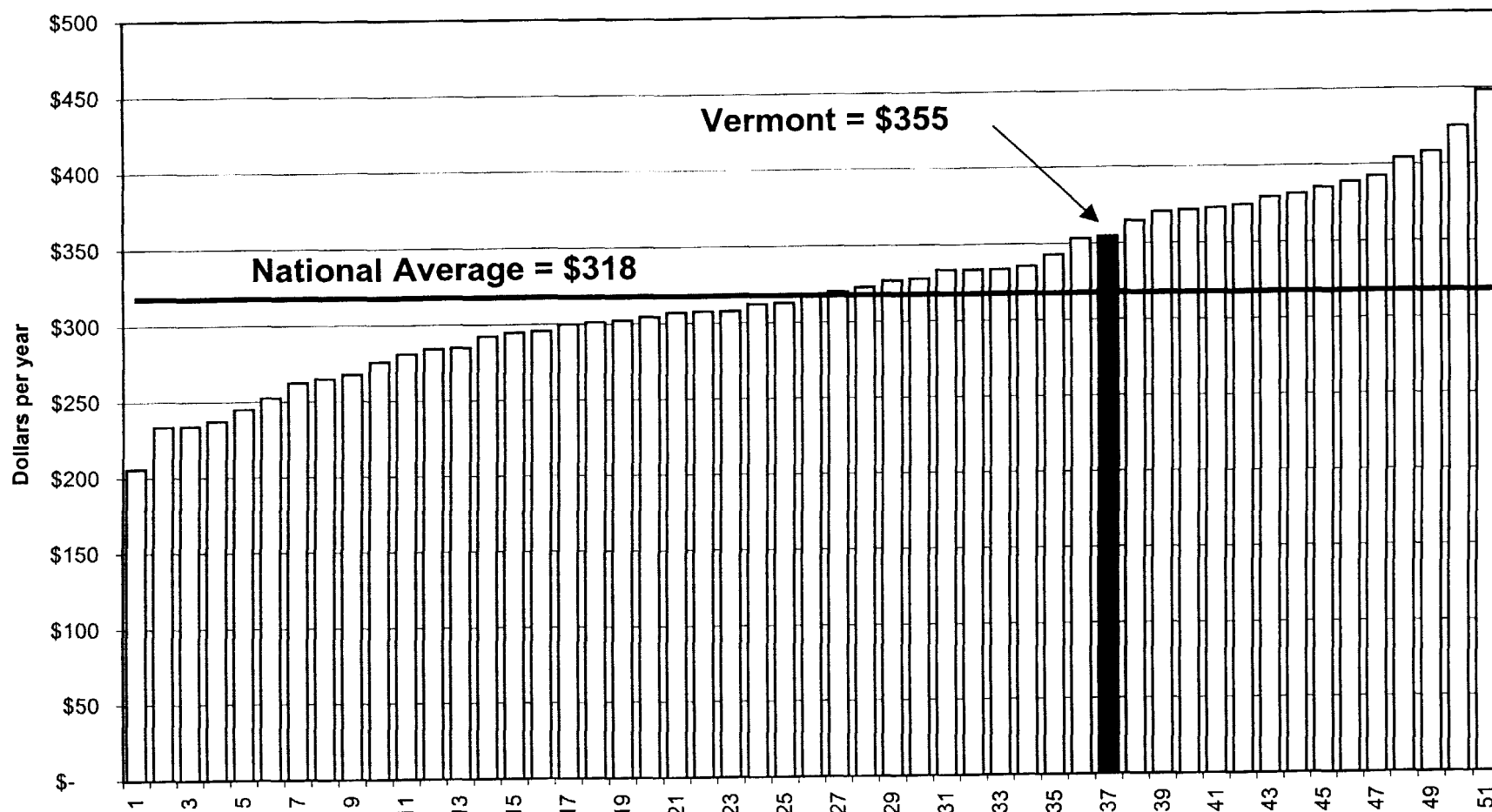
Source: ARMIS, U.S.T.A.

Per 1997 Separations:

STATE	COMPANY	Basic Local Revenues per Working Loop	
1 Idaho	U S WEST Communications	\$	206
2 New Jersey	Bell Atlantic	\$	233
3 Washington	U S WEST Communications	\$	234
4 NEVADA	NEVADA BELL	\$	237
5 Maine	New England Telephone	\$	245
6 CALIFORNIA	PACIFIC BELL	\$	253
7 Pennsylvania	Bell Atlantic	\$	262
8 Delaware	Bell Atlantic	\$	265
9 Iowa	U S WEST Communications	\$	268
10 MICHIGAN	MICHIGAN BELL	\$	276
11 North Dakota	U S WEST Communications	\$	281
12 Connecticut	Southern New England Telephone	\$	284
13 WISCONSIN	WISCONSIN BELL	\$	285
14 New Hampshire	New England Telephone	\$	292
15 Utah	U S WEST Communications	\$	295
16 KANSAS	SOUTHWESTERN BELL TEL. CO	\$	296
17 Rhode Island	New England Telephone	\$	300
18 Massachusetts	New England Telephone	\$	301
19 South Dakota	U S WEST Communications	\$	302
20 District of Columbia	Bell Atlantic	\$	305
21 INDIANA	INDIANA BELL	\$	307
22 Idaho	U S WEST Communications	\$	308
23 Oregon	U S WEST Communications	\$	308
24 OKLAHOMA	SOUTHWESTERN BELL TEL. CO	\$	312
25 Florida	BellSouth Telecommunications	\$	313
26 ILLINOIS	ILLINOIS BELL	\$	318
27 Montana	U S WEST Communications	\$	320
28 TEXAS	SOUTHWESTERN BELL TEL. CO	\$	323
29 Virginia	Bell Atlantic	\$	327
30 OHIO	OHIO BELL	\$	328
31 ARKANSAS	SOUTHWESTERN BELL TEL. CO	\$	333
32 Minnesota	U S WEST Communications	\$	333
33 Arizona	U S WEST Communications	\$	333
34 Maryland	Bell Atlantic	\$	335
35 MISSOURI	SOUTHWESTERN BELL TEL. CO	\$	343
36 Wyoming	U S WEST Communications	\$	353
37 Vermont	New England Telephone	\$	355
38 Colorado	U S WEST Communications	\$	365
39 South Carolina	BellSouth Telecommunications	\$	371
40 Nebraska	U S WEST Communications	\$	372
41 Tennessee	BellSouth Telecommunications	\$	373
42 North Carolina	BellSouth Telecommunications	\$	375
43 Kentucky	BellSouth Telecommunications	\$	380
44 New Mexico	U S WEST Communications	\$	382
45 Ohio & Kentucky	Cincinnati Bell Telephone	\$	386
46 West Virginia	Bell Atlantic	\$	389
47 Louisiana	BellSouth Telecommunications	\$	392
48 Alabama	BellSouth Telecommunications	\$	404
49 New York	New York Telephone	\$	408
50 Georgia	BellSouth Telecommunications	\$	425
51 Mississippi	BellSouth Telecommunications	\$	448
National Average		\$	318

* SNET reported 2,250 working loops. This has been corrected to 2,250,000.

Basic Local Revenue per Loop - 1997 51 Bell Companies



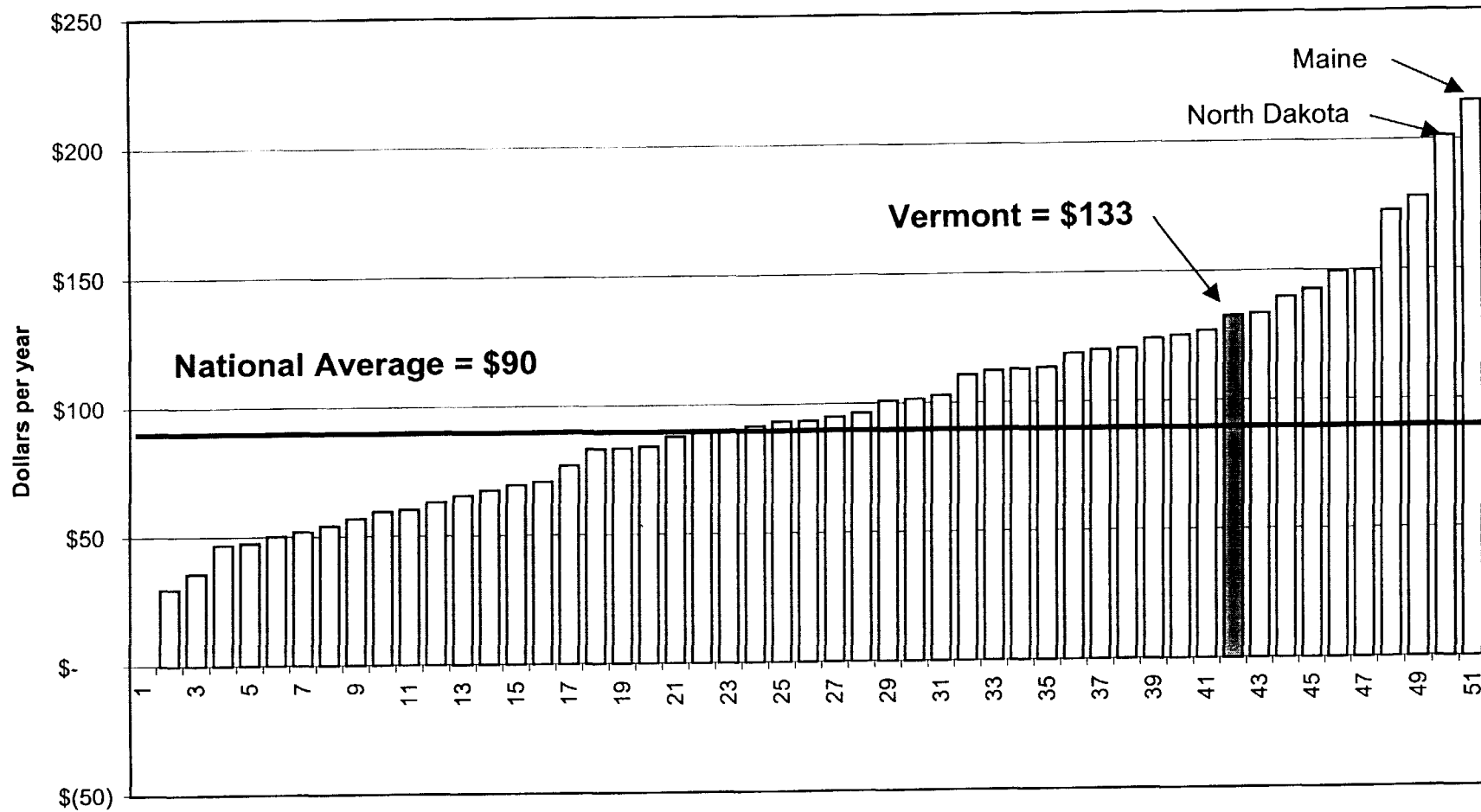
Source: ARMIS, U.S.T.A.

Per 1997 Separations:

STATE		COMPANY		State Toll & Access Revenues per Working Loop	
1	District of Columbia	Bell Atlantic	\$	(0)	
2	Delaware	Bell Atlantic	\$	30	
3	Georgia	BellSouth Telecommunications	\$	36	
4	ILLINOIS	ILLINOIS BELL	\$	47	
5	Maryland	Bell Atlantic	\$	47	
6	Alabama	BellSouth Telecommunications	\$	50	
7	New York	New York Telephone	\$	52	
8	Louisiana	BellSouth Telecommunications	\$	54	
9	Ohio & Kentucky	Cincinnati Bell Telephone	\$	57	
10	Florida	BellSouth Telecommunications	\$	60	
11	Virginia	Bell Atlantic	\$	60	
12	OHIO	OHIO BELL	\$	63	
13	Arizona	U S WEST Communications	\$	66	
14	Rhode Island	New England Telephone	\$	68	
15	Tennessee	BellSouth Telecommunications	\$	70	
16	NEVADA	NEVADA BELL	\$	71	
17	South Carolina	BellSouth Telecommunications	\$	77	
18	Kentucky	BellSouth Telecommunications	\$	83	
19	MISSOURI	SOUTHWESTERN BELL TEL. CO	\$	83	
20	Minnesota	U S WEST Communications	\$	84	
21	WISCONSIN	WISCONSIN BELL	\$	88	
22	INDIANA	INDIANA BELL	\$	89	
23	North Carolina	BellSouth Telecommunications	\$	90	
24	Pennsylvania	Bell Atlantic	\$	92	
25	Massachusetts	New England Telephone	\$	93	
26	Mississippi	BellSouth Telecommunications	\$	93	
27	Colorado	U S WEST Communications	\$	95	
28	Washington	U S WEST Communications	\$	96	
29	Utah	U S WEST Communications	\$	101	
30	OKLAHOMA	SOUTHWESTERN BELL TEL. CO	\$	102	
31	West Virginia	Bell Atlantic	\$	103	
32	Idaho	U S WEST Communications	\$	111	
33	Connecticut	Southern New England Telephone	\$	112	
34	Oregon	U S WEST Communications	\$	113	
35	New Mexico	U S WEST Communications	\$	113	
36	CALIFORNIA	PACIFIC BELL	\$	119	
37	New Hampshire	New England Telephone	\$	120	
38	Iowa	U S WEST Communications	\$	121	
39	ARKANSAS	SOUTHWESTERN BELL TEL. CO	\$	124	
40	TEXAS	SOUTHWESTERN BELL TEL. CO	\$	125	
41	New Jersey	Bell Atlantic	\$	127	
42	Vermont	New England Telephone	\$	133	
43	KANSAS	SOUTHWESTERN BELL TEL. CO	\$	134	
44	Wyoming	U S WEST Communications	\$	140	
45	Nebraska	U S WEST Communications	\$	143	
46	South Dakota	U S WEST Communications	\$	149	
47	Idaho	U S WEST Communications	\$	150	
48	MICHIGAN	MICHIGAN BELL	\$	173	
49	Montana	U S WEST Communications	\$	178	
50	North Dakota	U S WEST Communications	\$	201	
51	Maine	New England Telephone	\$	215	
National Average			\$	90	

* SNET reported 2,250 working loops. This has been corrected to 2,250,000.

State Toll & Access Revenue per Loop - 1997 51 Bell Companies



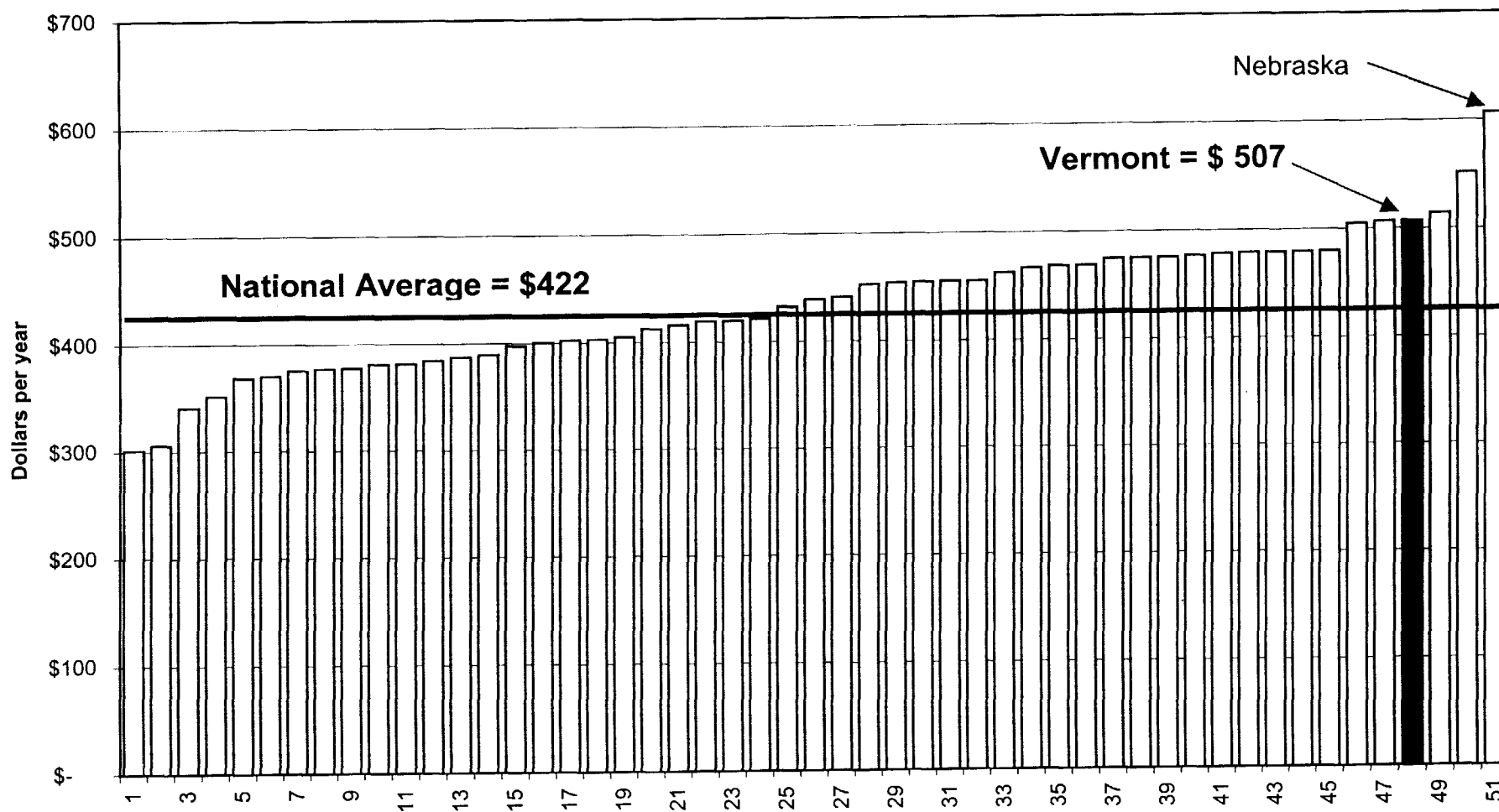
Source: ARMIS, U.S.T.A.

Per 1997 Separations:

STATE	COMPANY	Total Intra-State Revenues per Working Loop	
1 Delaware	Bell Atlantic	\$	301
2 NEVADA	NEVADA BELL	\$	306
3 Washington	U S WEST Communications	\$	341
4 Idaho	U S WEST Communications	\$	352
5 Pennsylvania	Bell Atlantic	\$	369
6 New Jersey	Bell Atlantic	\$	370
7 CALIFORNIA	PACIFIC BELL	\$	375
8 ILLINOIS	ILLINOIS BELL	\$	377
9 WISCONSIN	WISCONSIN BELL	\$	377
10 Iowa	U S WEST Communications	\$	381
11 District of Columbia	Bell Atlantic	\$	381
12 Florida	BellSouth Telecommunications	\$	384
13 Rhode Island	New England Telephone	\$	387
14 OHIO	OHIO BELL	\$	390
15 Arizona	U S WEST Communications	\$	397
16 INDIANA	INDIANA BELL	\$	400
17 Idaho	U S WEST Communications	\$	403
18 Maryland	Bell Atlantic	\$	403
19 Virginia	Bell Atlantic	\$	405
20 Utah	U S WEST Communications	\$	413
21 Minnesota	U S WEST Communications	\$	416
22 Oregon	U S WEST Communications	\$	420
23 OKLAHOMA	SOUTHWESTERN BELL TEL. CO	\$	420
24 Massachusetts	New England Telephone	\$	421
25 MISSOURI	SOUTHWESTERN BELL TEL. CO	\$	432
26 New Hampshire	New England Telephone	\$	439
27 South Dakota	U S WEST Communications	\$	441
28 TEXAS	SOUTHWESTERN BELL TEL. CO	\$	453
29 KANSAS	SOUTHWESTERN BELL TEL. CO	\$	454
30 Tennessee	BellSouth Telecommunications	\$	455
31 MICHIGAN	MICHIGAN BELL	\$	455
32 Ohio & Kentucky	Cincinnati Bell Telephone	\$	455
33 South Carolina	BellSouth Telecommunications	\$	462
34 ARKANSAS	SOUTHWESTERN BELL TEL. CO	\$	467
35 Alabama	BellSouth Telecommunications	\$	469
36 Louisiana	BellSouth Telecommunications	\$	469
37 North Carolina	BellSouth Telecommunications	\$	475
38 North Dakota	U S WEST Communications	\$	475
39 Georgia	BellSouth Telecommunications	\$	475
40 Kentucky	BellSouth Telecommunications	\$	477
41 New York	New York Telephone	\$	478
42 Maine	New England Telephone	\$	479
43 Montana	U S WEST Communications	\$	479
44 Wyoming	U S WEST Communications	\$	479
45 Connecticut	Southern New England Telephone	\$	480
46 New Mexico	U S WEST Communications	\$	505
47 West Virginia	Bell Atlantic	\$	507
48 Vermont	New England Telephone	\$	507
49 Colorado	U S WEST Communications	\$	514
50 Mississippi	BellSouth Telecommunications	\$	551
51 Nebraska	U S WEST Communications	\$	607
National Average		\$	422

* SNET reported 2,250 working loops. This has been corrected to 2,250,000.

Total Intra-State Revenue per Loop - 1997 51 Bell Companies



Source: ARMIS, U.S.T.A.

Residential Telephone Rates by City; October 1997

Rates in Sample Cities

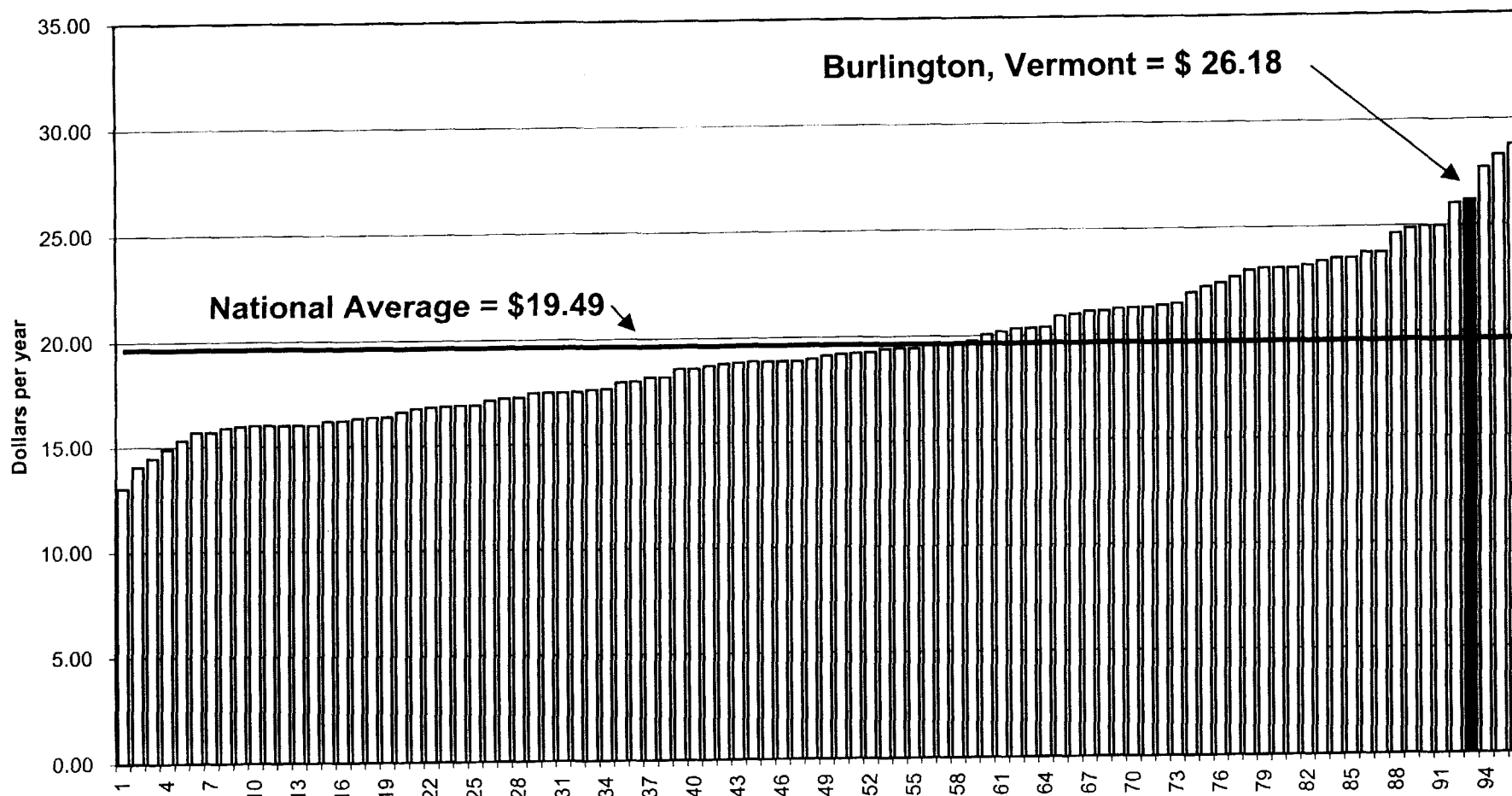
Monthly Telephone Rate, including touch-tone, surcharge

9/4/98 14:48

State	City	Telephone Company	Flat-rate Service
1 New Jersey	Phillipsburg	Bell Atlantic	13.05
2 Iowa	Fort Dodge	Vista Telephone	14.06
3 Alaska	Anchorage	Anchorage	14.47
4 Pennsylvania	New Castle	Bell Atlantic	14.90
5 Texas	Brownsville	SBC	15.31
6 North Carolina	Rockingham	BellSouth	15.69
7 Utah	Logan	US West	15.70
8 Florida	West Palm Beach	BellSouth	15.89
9 Washington	Seattle	US West	15.97
10 California	San Diego	SBC	16.01
11 California	San Bernadino	GTE	16.01
12 California	Salinas	SBC	16.01
13 California	Oakland	SBC	16.01
14 California	Los Angeles	SBC	16.01
15 Texas	Fort Worth	SBC	16.17
16 Texas	Corpus Christi	SBC	16.22
17 Wisconsin	Racine	Ameritech	16.31
18 Wisconsin	Milwaukee	Ameritech	16.36
19 Texas	San Antonio	SBC	16.37
20 Pennsylvania	Ellwood City	Bell Atlantic	16.60
21 California	Long Beach	GTE	16.76
22 New York	Rochester	Frontier	16.83
23 Florida	Miami	BellSouth	16.86
24 Virginia	Smithfield	GTE	16.90
25 California	San Francisco	SBC	16.91
26 California	Fresno	SBC	17.13
27 North Carolina	Raleigh	BellSouth	17.22
28 Missouri	Mexico	SBC	17.26
29 Texas	Dallas	SBC	17.47
30 Pennsylvania	Johnstown	GTE	17.48
31 Pennsylvania	Pittsburgh	Bell Atlantic	17.48
32 California	Bakersfield	SBC	17.51
33 Connecticut	Norwalk	SNET	17.60
34 Illinois	Chicago	Ameritech	17.63
35 Michigan	Grand Rapids	Ameritech	17.95
36 Texas	Houston	SBC	17.98
37 Missouri	Kansas City	SBC	18.17
38 Missouri	St. Louis	SBC	18.18
39 Pennsylvania	Philadelphia	Bell Atlantic	18.56
40 Pennsylvania	Scranton	Bell Atlantic	18.56
41 Connecticut	Ansonia	SNET	18.70
42 Louisiana	New Orleans	BellSouth	18.78
43 Indiana	Indianapolis	Ameritech	18.82
44 Ohio	Canton	Ameritech	18.87
45 Ohio	Cleveland	Ameritech	18.87

46 Ohio	Columbus	Ameritech	18.87
47 Ohio	Toledo	Ameritech	18.87
48 Washington	Everett	GTE	18.97
49 Maine	Portland	Bell Atlantic	19.12
50 Florida	Tampa	GTE	19.19
51 District of Columbia	Washington	Bell Atlantic	19.23
52 Montana	Butte	US West	19.26
53 Tennessee	Nashville	BellSouth	19.41
54 Arizona	Tuscon	US West	19.42
55 Michigan	Detroit	Ameritech	19.42
56 Louisiana	Baton Rouge	BellSouth	19.57
57 Minnesota	Detroit Lakes	US West	19.63
58 Oregon	Corvallis	US West	19.66
59 South Carolina	Beaufort	Sprint	19.76
60 Michigan	Saginaw	Ameritech	20.05
61 Illinois	Decatur	Ameritech	20.18
62 New York	Massena	Bell Atlantic	20.33
63 Tennessee	Memphis	BellSouth	20.33
64 Colorado	Colorado Springs	US West	20.38
65 New York	Ogdensburg	Bell Atlantic	20.90
66 New Mexico	Alamogordo	US West	20.99
67 Colorado	Denver	US West	21.11
68 Ohio	Cincinnati	Cincinnati Bell	21.13
69 Oregon	Portland	US West	21.22
70 Illinois	Rock Island	Ameritech	21.27
71 Georgia	Albany	BellSouth	21.29
72 Colorado	Boulder	US West	21.38
73 Minnesota	Minneapolis	US West	21.45
74 Pennsylvania	Allentown	Bell Atlantic	21.95
75 Arkansas	Pine Bluff	SBC	22.22
76 Hawaii	Honolulu	GTE	22.40
77 Alabama	Huntsville	BellSouth	\$22.67
78 Indiana	Terre Haute	GTE	22.98
79 Massachusetts	Boston	Bell Atlantic	23.07
80 Massachusetts	Hyannis	Bell Atlantic	23.07
81 Massachusetts	Springfield	Bell Atlantic	23.07
82 California	San Jose	GTE	23.19
83 Nebraska	Grand Island	US West	23.39
84 Rhode Island	Providence	Bell Atlantic	23.50
85 California	Anaheim	SBC	23.51
86 New York	Binghamton	Bell Atlantic	23.76
87 Virginia	Richmond	Bell Atlantic	23.78
88 Kentucky	Louisville	BellSouth	24.63
89 New York	New York City	Bell Atlantic	24.88
90 Maryland	Baltimore	Bell Atlantic	24.98
91 Georgia	Atlanta	BellSouth	24.98
92 Mississippi	Pascagoula	BellSouth	26.03
93 Vermont	Burlington	Bell Atlantic	26.18
94 West Virginia	Huntington	Bell Atlantic	27.68
95 New York	Buffalo	Bell Atlantic	28.29
96 Arkansas	West Memphis	SBC	28.78

Customer Bill for Fixed Monthly Charges and 100 5-Minute Calls Residential Customers - 96 Cities in U.S. - October, 1997



Source: Burlington from Bell Atlantic; all others from FCC Reference Book, 1998

Business Telephone Rates by City; October 1997

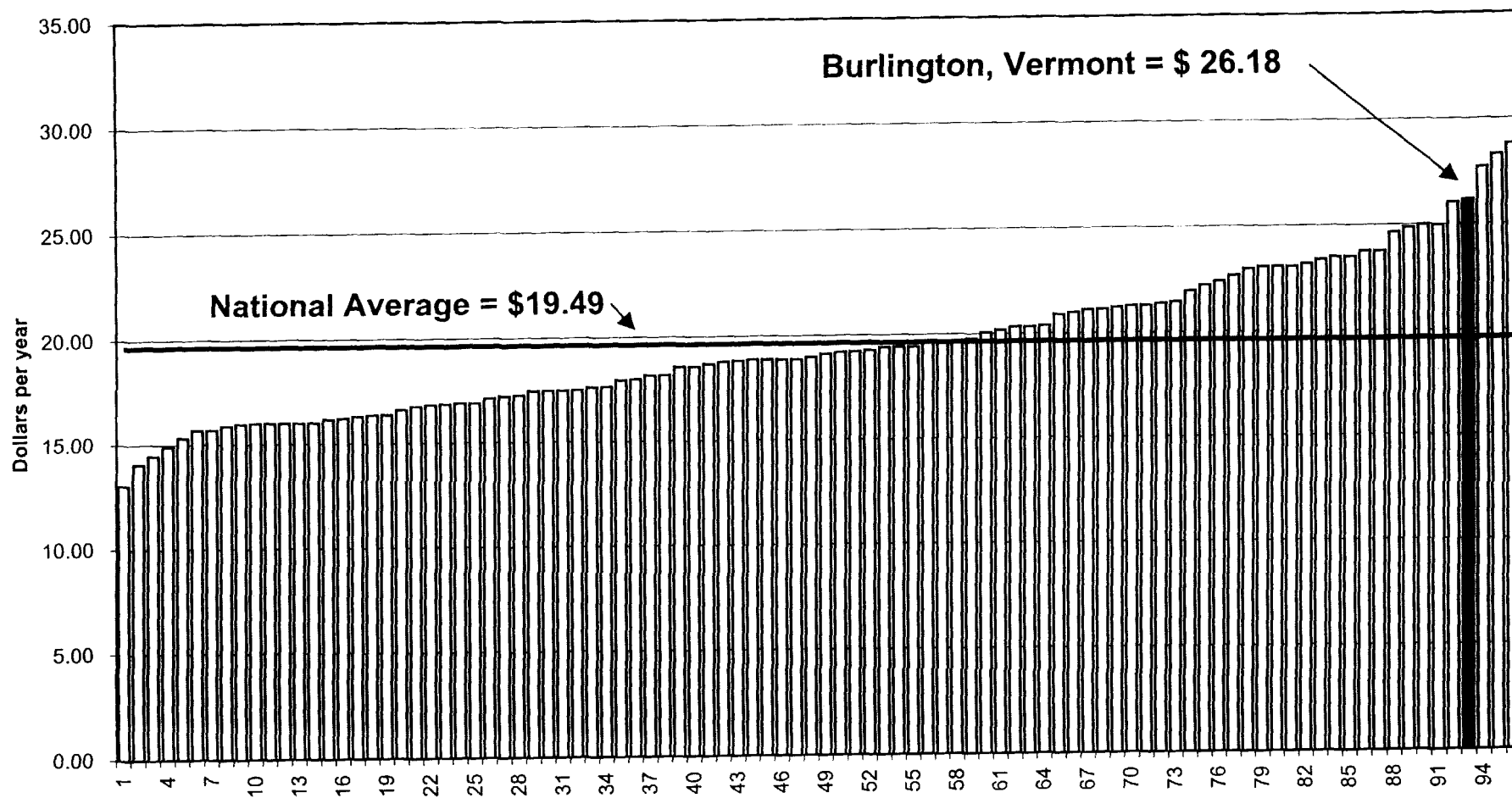
Rates in Sample Cities

Monthly Telephone Rate, including touch-tone, surcharges

9/4/98 14:48

State	City	Telephone Company	Flat-rate Service
1 Iowa	Fort Dodge	Vista Telephone	22.44
2 New Jersey	Phillipsburg	Bell Atlantic	26.51
3 Virginia	Smithfield	GTE	29.98
4 Utah	Logan	US West	30.14
5 Alaska	Anchorage	Anchorage	31.05
6 California	Anaheim	SBC	31.10
7 California	San Diego	SBC	31.10
8 Texas	Brownsville	SBC	31.23
9 Pennsylvania	Philadelphia	Bell Atlantic	31.53
10 Pennsylvania	Pittsburgh	Bell Atlantic	31.53
11 California	Fresno	SBC	31.75
12 California	Bakersfield	SBC	31.75
13 Illinois	Chicago	Ameritech	31.91
14 Texas	Corpus Christi	SBC	32.48
15 California	San Jose	SBC	32.56
16 California	Oakland	SBC	33.29
17 California	San Francisco	SBC	33.29
18 Texas	Fort Worth	SBC	33.35
19 California	Salinas	SBC	33.64
20 Texas	San Antonio	SBC	33.82
21 California	Los Angeles	SBC	34.02
22 North Carolina	Rockingham	BellSouth	34.52
23 Illinois	Decatur	Ameritech	35.71
24 Michigan	Grand Rapids	Ameritech	35.81
25 Missouri	Mexico	SBC	36.29
26 Illinois	Rock Island	Ameritech	36.58
27 Washington	Seattle	US West	37.19
28 Pennsylvania	Scranton	Bell Atlantic	37.26
29 Pennsylvania	Allentown	Bell Atlantic	37.26
30 Texas	Dallas	SBC	37.51
31 Wisconsin	Milwaukee	Ameritech	37.51
32 Pennsylvania	Johnstown	GTE	37.70
33 District of Columbia	Washington	Bell Atlantic	37.84
34 Michigan	Saginaw	Ameritech	37.95
35 South Carolina	Beaufort	Sprint	38.04
36 Florida	West Palm Beach	BellSouth	38.13
37 Massachusetts	Springfield	Bell Atlantic	38.89
38 Wisconsin	Racine	Ameritech	39.16
39 Oregon	Corvallis	US West	39.58
40 Maine	Portland	Bell Atlantic	39.75
41 North Carolina	Raleigh	BellSouth	39.94
42 Washington	Everett	GTE	39.98
43 Pennsylvania	Ellwood City	Bell Atlantic	39.99
44 Pennsylvania	New Castle	Bell Atlantic	39.99
45 Florida	Miami	BellSouth	40.67

**Customer Bill for Fixed Monthly Charges and 100 5-Minute Calls
Residential Customers - 96 Cities in U.S. - October, 1997**



Source: Burlington from Bell Atlantic; all others from FCC Reference Book, 1998

Business Telephone Rates by City; October 1997

Rates in Sample Cities

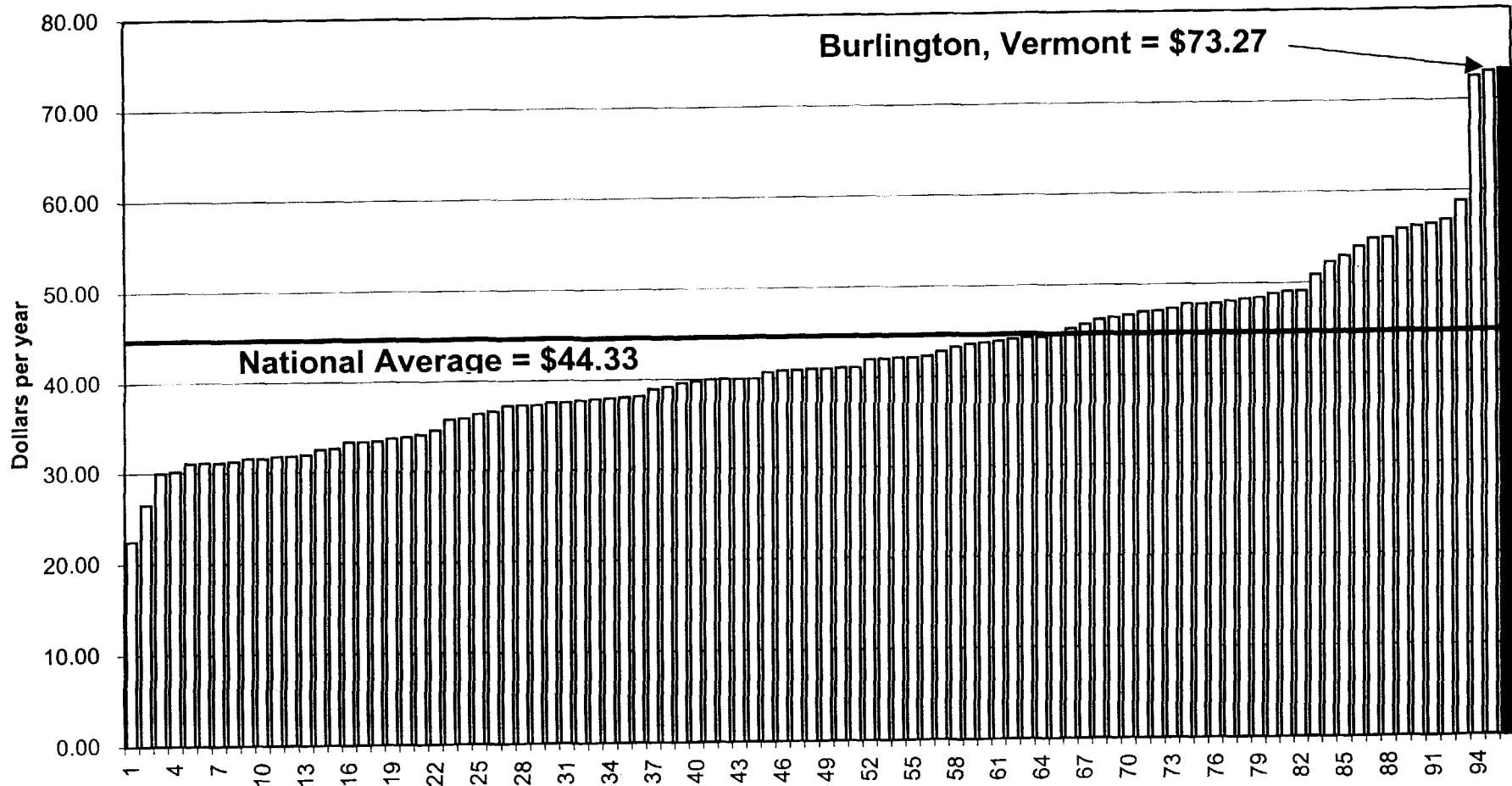
Monthly Telephone Rate, including touch-tone, surcharges

9/4/98 14:48

State	City	Telephone Company	Flat-rate Service
1 Iowa	Fort Dodge	Vista Telephone	22.44
2 New Jersey	Phillipsburg	Bell Atlantic	26.51
3 Virginia	Smithfield	GTE	29.98
4 Utah	Logan	US West	30.14
5 Alaska	Anchorage	Anchorage	31.05
6 California	Anaheim	SBC	31.10
7 California	San Diego	SBC	31.10
8 Texas	Brownsville	SBC	31.23
9 Pennsylvania	Philadelphia	Bell Atlantic	31.53
10 Pennsylvania	Pittsburgh	Bell Atlantic	31.53
11 California	Fresno	SBC	31.75
12 California	Bakersfield	SBC	31.75
13 Illinois	Chicago	Ameritech	31.91
14 Texas	Corpus Christi	SBC	32.48
15 California	San Jose	SBC	32.56
16 California	Oakland	SBC	33.29
17 California	San Francisco	SBC	33.29
18 Texas	Fort Worth	SBC	33.35
19 California	Salinas	SBC	33.64
20 Texas	San Antonio	SBC	33.82
21 California	Los Angeles	SBC	34.02
22 North Carolina	Rockingham	BellSouth	34.52
23 Illinois	Decatur	Ameritech	35.71
24 Michigan	Grand Rapids	Ameritech	35.81
25 Missouri	Mexico	SBC	36.29
26 Illinois	Rock Island	Ameritech	36.58
27 Washington	Seattle	US West	37.19
28 Pennsylvania	Scranton	Bell Atlantic	37.26
29 Pennsylvania	Allentown	Bell Atlantic	37.26
30 Texas	Dallas	SBC	37.51
31 Wisconsin	Milwaukee	Ameritech	37.51
32 Pennsylvania	Johnstown	GTE	37.70
33 District of Columbia	Washington	Bell Atlantic	37.84
34 Michigan	Saginaw	Ameritech	37.95
35 South Carolina	Beaufort	Sprint	38.04
36 Florida	West Palm Beach	BellSouth	38.13
37 Massachusetts	Springfield	Bell Atlantic	38.89
38 Wisconsin	Racine	Ameritech	39.16
39 Oregon	Corvallis	US West	39.58
40 Maine	Portland	Bell Atlantic	39.75
41 North Carolina	Raleigh	BellSouth	39.94
42 Washington	Everett	GTE	39.98
43 Pennsylvania	Ellwood City	Bell Atlantic	39.99
44 Pennsylvania	New Castle	Bell Atlantic	39.99
45 Florida	Miami	BellSouth	40.67

46 Connecticut	Norwalk	SNET	40.86
47 Michigan	Detroit	Ameritech	40.89
48 Georgia	Albany	BellSouth	41.00
49 Texas	Houston	SBC	41.01
50 Florida	Tampa	GTE	41.09
51 Arkansas	Pine Bluff	SBC	41.12
52 Arizona	Tucson	US West	42.00
53 Oregon	Portland	US West	42.04
54 Ohio	Cleveland	Ameritech	42.16
55 Ohio	Columbus	Ameritech	42.16
56 Minnesota	Detroit Lakes	US West	42.28
57 Massachusetts	Boston	Bell Atlantic	42.78
58 California	San Bernadino	GTE	43.25
59 Maryland	Baltimore	Bell Atlantic	43.60
60 Connecticut	Ansonia	SNET	43.70
61 California	Long Beach	GTE	43.84
62 Montana	Butte	US West	44.07
63 Ohio	Canton	Ameritech	44.22
64 Ohio	Toledo	Ameritech	44.22
65 Colorado	Colorado Springs	US West	44.42
66 Missouri	St. Louis	SBC	45.15
67 Missouri	Kansas City	SBC	45.62
68 Louisiana	New Orleans	BellSouth	46.12
69 Louisiana	Baton Rouge	BellSouth	46.34
70 Colorado	Denver	US West	46.59
71 Colorado	Boulder	US West	46.96
72 Indiana	Terre Haute	GTE	47.03
73 Hawaii	Honolulu	GTE	47.32
74 New York	Massena	Bell Atlantic	47.78
75 Nebraska	Grand Island	US West	47.79
76 Rhode Island	Providence	Bell Atlantic	47.82
77 New York	Binghamton	Bell Atlantic	48.07
78 New York	Rochester	Frontier	48.28
79 Massachusetts	Hyannis	Bell Atlantic	48.38
80 New York	Buffalo	Bell Atlantic	48.86
81 New York	New York	Bell Atlantic	49.09
82 New York	Ogdensburg	Bell Atlantic	49.12
83 Alabama	Huntsville	BellSouth	50.90
84 Tennessee	Nashville	BellSouth	52.35
85 Ohio	Cincinnati	Cincinnati Bell	52.99
86 Arkansas	West Memphis	SBC	54.01
87 Minnesota	Minneapolis	US West	54.85
88 Tennessee	Memphis	BellSouth	54.95
89 Indiana	Indianapolis	Ameritech	55.84
90 Mississippi	Pascagoula	BellSouth	56.16
91 New Mexico	Alamogordo	US West	56.37
92 Kentucky	Louisville	BellSouth	56.84
93 Georgia	Atlanta	BellSouth	58.87
94 Virginia	Richmond	Bell Atlantic	72.53
95 West Virginia	Huntington	Bell Atlantic	73.03
96 Vermont	Burlington	Bell Atlantic	73.27

**Customer Bill for Fixed Monthly Charges and 200 5-Minute Calls
Business Customers - 96 Cities in U.S. - October, 1997**



Source: Burlington from Bell Atlantic; all others from FCC Reference Book, 1998